



Treasury Financial Manual

Bulletin No. 2001-02

Volume I

Retention Date: December 31, 2001

To: Heads of Government Departments, Agencies and Others Concerned

Subject: Current Value of Funds Rate (CVFR) Percentage

1. Purpose

This Treasury Financial Manual (TFM) bulletin publishes the percentage rate, based on the current value of funds to Treasury, to be used as follows:

- In assessing interest charges for outstanding debts on claims owed the Government under Section 11 of the Debt Collection Act of 1982, Public Law 97-365, 96 Stat. 1749, 1755 (October 25, 1982).
- In evaluating the cost effectiveness of a cash discount as a comparison point. (See I TFM 6-8000 paragraphs on “Charges for Late Payments” and “Cash Discounts.”) The Prompt Payment website at www.fms.treas.gov/prompt/formulas provides a formula for determining whether a discount is economically justifiable.
- In determining when agencies should pay purchase card invoices when a rebate is offered by the card issuer. (See 5 CFR Part 1315.8 of the Prompt Payment rule on “Rebates.”) The Prompt Payment website at www.fms.treas.gov/prompt/rebate.html provides a spreadsheet that automatically calculates the net savings to the Government and determines whether the agency should pay early or on the Prompt Payment due date.

The Financial Management Service publishes the CVFR annually in a TFM bulletin.

2. Rescission

This bulletin rescinds TFM Bulletin No. 2000-03.

3. Rate for Charges on Late Payments to the Government, Comparison Point for Cash Discounts and Determination of Payment Due Dates for Purchase Card Invoices

The percentage rate to be applied during the period January 1 through December 31, 2001, is 6.00 percent.

4. Effective Date

January 1, 2001.

5. Supplementary Information

The CVFR reflects the current value of funds to the Treasury in Federal cash management. It is based on the investment rates for the Treasury Tax and Loan accounts set for purposes of the Public Money's Investment Act, Public Law 95-147, 91 Stat. 1227 (October 28, 1977).

The CVFR is computed each year by averaging investment rates for the 12-month period ending on September 30, rounded to the nearest whole percentage. The rate goes into effect January 1. The rate is subject to quarterly revisions if the annual average, on the moving basis, changes by 2 percent. The CVFR for calendar year 2001 reflects the average investment rates for the 12-month period ending September 30, 2000.

6. Inquiries

Direct questions concerning this bulletin to:

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Date: November 21, 2000

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